

Madam Chair, Members of the committee,

My name is Ann Lynch; I am here today to speak to you about supporting the proposed budget for child care and please restore the funding for the market rate increase that was included in the Governor's original budget. I have been a professional in the child care field for over 22 years. I have gone from a family child care in my home to a large center in Helena. I provide care for 100 children and employee 22 staff.

I would like to express to you the success I've seen in the past with the families who have been on scholarships and have gone to paying full price for their children because they have had the opportunity to go to school and make a living wage.

I offer quality care for 100 children and quality care is expensive to provide, it consists of low provider turnover and educated providers. I provide over fifty hours of training for my staff so they can complete A Child Development Credential. I also help staff with college so they can achieve an AA or BA in early childhood. A child's brain develops 80% by the time they are three and they need the skills to be ready for Kindergarten and to continue to be successful in life. Because it is vital for a child to receive the correct development and education in these early years we must educate the people who care our young children.

When looking at a child care facility's budget you must realize we are capped at the number of children we care for and must meet a ratio with staff. There for our income is capped unless we raise parent rates. Fifty five percent of my budget is consumed by staff wages. This does not include taxes and workers comp. There is no profit I just break even and if there is any extra funds it goes to retaining staff. I do this by offering to pay for outside education like infant toddler training and help with college funds like books and etc.

I just raised my rates by thirty dollars per child. With 100 children it brings in an extra 3000 a month this goes to Medical Insurance for staff. If I left my rates at the scholarship rate of state children I would not be able to offer insurance to my staff. The staff will work for me longer if they have benefits. Usually staff will go to the school district or other places of employment for jobs with benefits.

The Scholarship families have to pay the difference in rates. Some cannot afford this as they are barely making it already. If families who are on assistance cannot afford the difference in child care I offer they have their choice taken away for quality care and they will put their child in care where quality is not important.

When low income families cannot afford quality care and have to put their children in poor care or with relatives then our society creates tier affect and a separation of children by income. This only will cause our state to regress in societal progress. I also feel these children need the best start they can get before they start behind in Kindergarten.

I once again want to remind you of the success many families have had due to the current ability to have good care for their children and the funds to make this happen. Please consider restoring the market rate increase that was in the Governor's original budget. Thanks

2006 min wage \$5.15

2009 Min Wage \$6.90

\$1.75 increase in hourly wages

$\$1.75 \times 20 \text{ (employees)} = \$35.00 \text{ an hour} \times 8 \text{ hours} \times 21 \text{ days in a month} = \$5880. \text{ a month increase}$

$\$5880.00 \text{ divided by } 100 \text{ children} = \$ 58.80 \text{ increase in } 3 \text{ years to make budget}$

I raised my rates by \$60.00 a child over the five years since I have been open.

I raised my rates January 1, 2009 by 30 per child this brings me in 3000 per month I have added Health insurance for the staff and it will cost me over 3000 a month to offer this to my employees.

Min wage in July is increasing by .35 cents this will increase my monthly wages (if I were to give every one a .35 raise) by \$1176.00. If I divide this by 100 children I would have to raise my rate by \$11.75 to break even.

I have a tight budget and run numbers like this all the time to make sure I can make it. My biggest stress in child care is staff turn over. It breaks my heart every time I have to tell parents that a new person is caring for their children. This is so hard on the development of children because the best way to assure young people's success is to have great social skills. Development of social skills starts with attachment and feeling secure.